



CITY OF CARLSBAD - AGENDA BILL

AB#		REPORT ON CITY INVESTMENTS	DEPT. HEAD
MTG.		AS OF MARCH 31, 2013	CITY ATTY.
DEPT.	TRS		CITY MGR.

RECOMMENDED ACTION:

Accept and file report.

ITEM EXPLANATION:

The City's Investment Policy requires the City Treasurer to report to the City Council on a monthly basis the status of the city's pooled investment portfolio. A quarterly report is also required for the investments of bond proceeds held separately. The city's pooled investment portfolio as of the month ended March 31, 2013 is summarized below.

Pooled Investment Portfolio (Cash and Securities)		
	Current Month	Prior Month
Par Value	612,710,819	622,939,247
Cost of Investments	620,480,160	630,061,082
Amortized Cost (1)	617,174,488	626,909,350
Market Value (2)	620,989,721	630,812,954

- (1) The cost of investments adjusted for amortized premiums and discounts.
 (2) The amount at which the investments could be sold. Source of market values is Union Bank of California's custodial report as of 3/31/13.

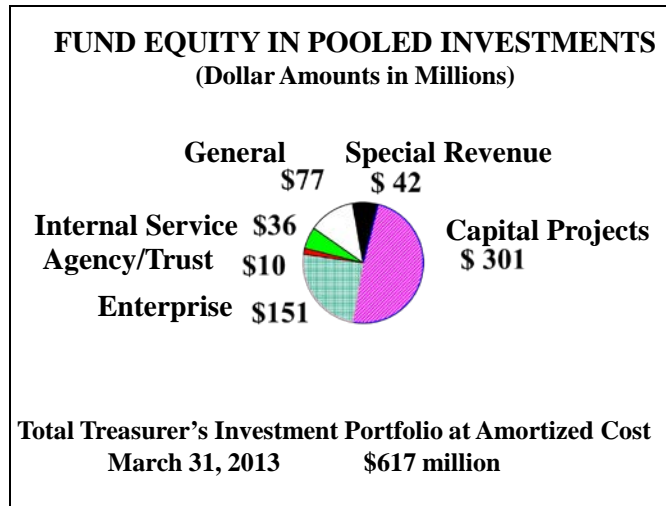
The equity portion of the various funds in the total portfolio is summarized in the graph on the next page. Fund balances are restricted for various purposes. See Exhibit 8 for a more detailed breakdown.

The \$9 million decrease between the February and March 2013 reports is due mainly to the payment of \$7.4 million from the housing trust fund for an affordable housing loan and \$2.9 million repayment to San Diego County for the Redevelopment Agency dissolution balance per AB1484 and AB1X26.

FOR CITY CLERKS USE ONLY.

COUNCIL ACTION:	APPROVED	<input type="checkbox"/>	CONTINUED TO DATE SPECIFIC	<input type="checkbox"/>
	DENIED	<input type="checkbox"/>	CONTINUED TO DATE UNKNOWN	<input type="checkbox"/>
	CONTINUED	<input type="checkbox"/>	RETURNED TO STAFF	<input type="checkbox"/>
	WITHDRAWN	<input type="checkbox"/>	OTHER – SEE MINUTES	<input type="checkbox"/>
	AMENDED	<input type="checkbox"/>		

DEPARTMENT CONTACT: Nancy Sullivan (760) 602-2473 Nancy.Sullivan@carlsbadca.gov



Pooled Investment Interest Income			
	Current Month FYTD	Prior Month FYTD	Current Month Income
Cash Income Fiscal Year-to-Date *	7,495,253	6,791,726	703,527

*The cash income received is adjusted for any accrued interest purchased.

Pooled Investment Performance/M Measurement			
	Average Life (Years)	Average Yield To Maturity	Modified Duration
January 2013	2.25	1.170%	2.190
February 2013	2.21	1.091%	2.146
March 2013	2.27	1.092%	2.210

All pooled investments have been made in accordance with the City's Investment Policy adopted January 2, 1985 and last revised August 28, 2012. All investments were initially made in accordance with the City's Investment Policy. Events subsequent to the purchase might have resulted in some investments not being in compliance with the current policy. These events are typically a change in the City's Investment Policy, a change in the credit rating subsequent to a purchase, or a temporary reduction in total portfolio assets. See Exhibit 9 for details.

The March 28, 2013 payment of \$2.9 million to San Diego County did cause the portfolio to hit a duration of 2.21. Our policy states that the maximum duration allowed is 2.2. This variance will self-correct in April.

The pooled investment portfolio has the ability to meet the City's cash flow demands for the next six (6) months.

Investment Portfolio for Bond Proceeds		
	Current Quarter	Prior Quarter
Par Value	11,561,774	17,500,304
Cost	11,561,774	17,500,304

EXHIBITS FOR POOLED INVESTMENTS:

1. Investment Portfolio Breakdown By Amortized Cost, Market Value, Cash Income, and Average Yield
2. Investment Portfolio Breakdown Of Maturities
3. Yield Comparison Graph
4. Market Yield Curve
5. Cumulative Cash Income Graph
6. Third Quarter Transactions
7. Detailed Investment Report
8. Fund Equity in Pooled Investments
9. Corporate Note and Commercial Paper Ratings
10. Percentage Weightings By Corporate Note Issuer

EXHIBIT FOR INVESTMENTS OF BOND PROCEEDS HELD SEPARATELY:

11. Detailed Investment Report – Quarterly Report

EXHIBIT FOR SUMMARY OF OUTSTANDING HOUSING LOANS:

12. Detail Of Outstanding Housing Loans – Quarterly Report

CITY OF CARLSBAD INVESTMENT PORTFOLIO
AS OF MARCH 31, 2013

BREAKDOWN BY AMORTIZED COST, MARKET VALUE, CASH INCOME, AND AVERAGE YIELD BY CLASS

<u>Class</u>	<u>AMORTIZED COST</u>		<u>MARKET VALUE</u>		<u>Cash Income Year to Date</u>	<u>AVERAGE YIELD</u>	
	<u>Current Month</u>	<u>Prior Month</u>	<u>Current Month</u>	<u>Prior Month</u>		<u>Current Month</u>	<u>Prior Month</u>
CD	16,548,096	15,892,348	16,548,096	16,004,467	76,425	0.56	0.58
FN	14,218,341	14,204,649	14,218,341	14,271,359	0	0.96	0.96
CP	0	0	0	0	0	0.00	0.00
TR	2,005,855	2,006,944	2,005,855	2,032,140	46,875	2.44	2.44
FA	278,558,021	271,226,321	278,558,021	272,922,975	3,725,692	1.16	1.21
CN	177,021,356	174,474,840	177,021,356	176,477,765	3,293,901	1.62	1.62
LAIF	125,274,000	146,576,689	125,274,000	146,576,689	351,841	0.29	0.29
CUSTODY	33,998	76,031	33,998	76,031	10	0.00	0.00
SWEEP	2,653,138	1,722,571	2,653,138	1,722,571	509	0.02	0.02
BANK ACCT	861,683	728,957	861,683	728,957	0	0.02	0.02
TOTALS	\$617,174,488	\$626,909,350	\$617,174,488	\$630,812,954	7,495,253	1.09%	1.09%

CD - Certificate of Deposit
FN - Federal Discount Notes
CP - Corporate Paper

TR - US Treasury
FA - Federal Agency
CN - Corporate Notes

LAIF - Local Agency Investment Fund
Custody - Investment Cash account
SWEEP - General Fund Overnight Cash account
Bank Account - General Fund Cash account

**CITY OF CARLSBAD INVESTMENT PORTFOLIO
AS OF MARCH 31, 2013**

BREAKDOWN OF MATURITIES BY CLASSIFICATION AND LENGTH OF TIME

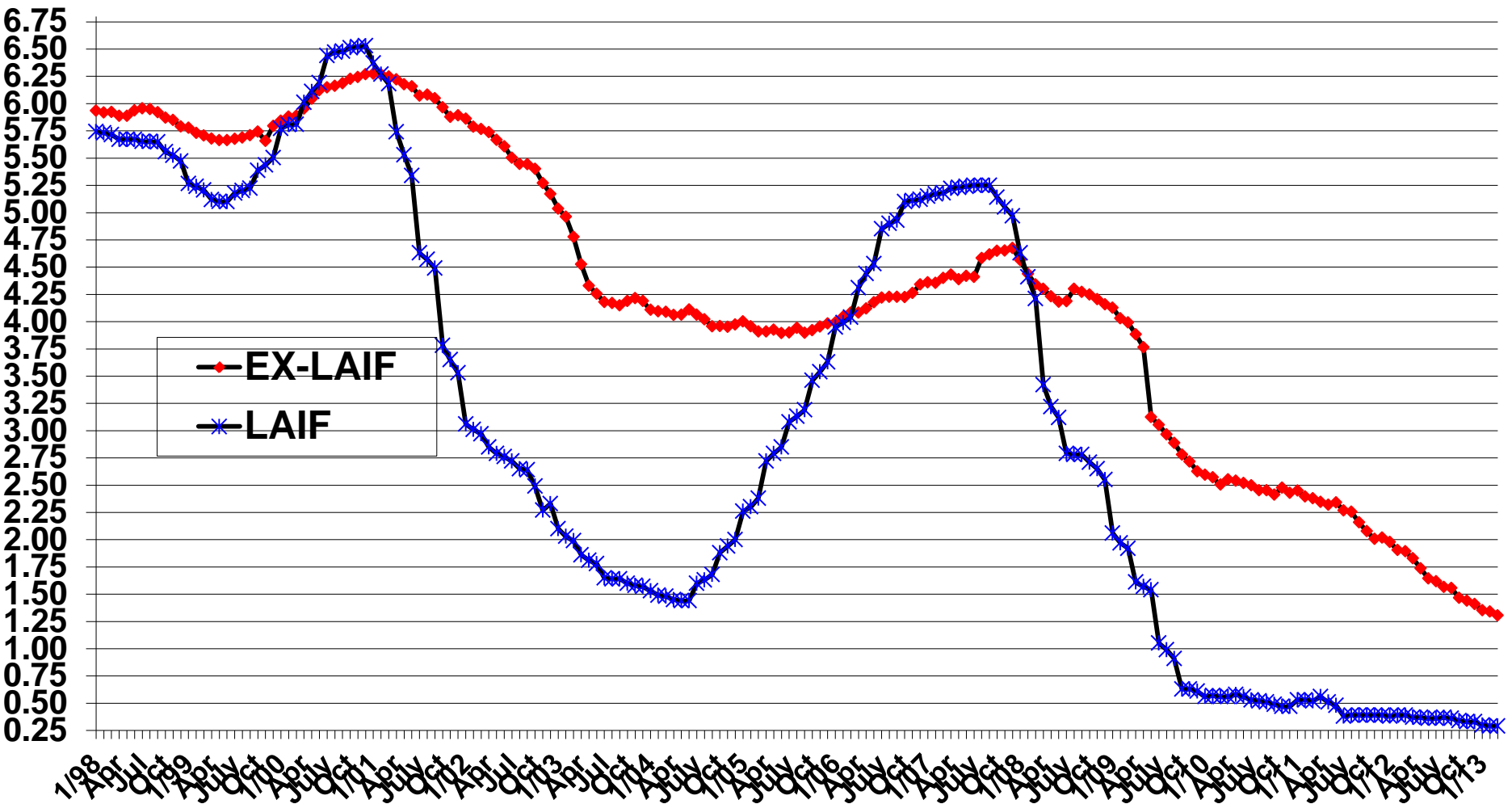
<u>CLASS</u>	<u>WITHIN 6 MONTHS</u>	<u>7 MONTHS TO 1 YEAR</u>	<u>1 TO 5 YEARS</u>	<u>TOTAL</u>	<u>% TOTAL</u>
CD	992,000	744,000	14,810,089	16,546,089	2.7%
FN	1,882,080	4,099,416	7,881,429	13,862,925	2.2%
CP	0	0	0	0	0.0%
TR	2,062,109	0	0	2,062,109	0.3%
FA	17,673,955	15,437,880	247,186,627	280,298,462	45.2%
CN	12,395,927	3,528,648	162,963,180	178,887,756	28.8% (2)
LAIF	125,274,000	0	0	125,274,000	20.2%
CUSTODY	33,998	0	0	33,998	0.0%
SWEEP	2,653,138	0	0	2,653,138	0.4%
BANK ACCT	861,683	0	0	861,683	0.1%
TOTALS	\$163,828,891 (1)	\$23,809,944 (1)	\$432,841,325	\$620,480,160	100.0%
% TOTALS	26.4%	3.8%	69.8%	100.0%	
Total within One Year		\$187,638,835 (1) 30.2%			

POLICY: (1) Not less than \$133,000,000 to mature within one year. (2/3rds of current year operating budget of \$199,430,000.00)
(2) Policy states that not more than 30% of portfolio is to be invested in corporate notes.

YIELD COMPARISON

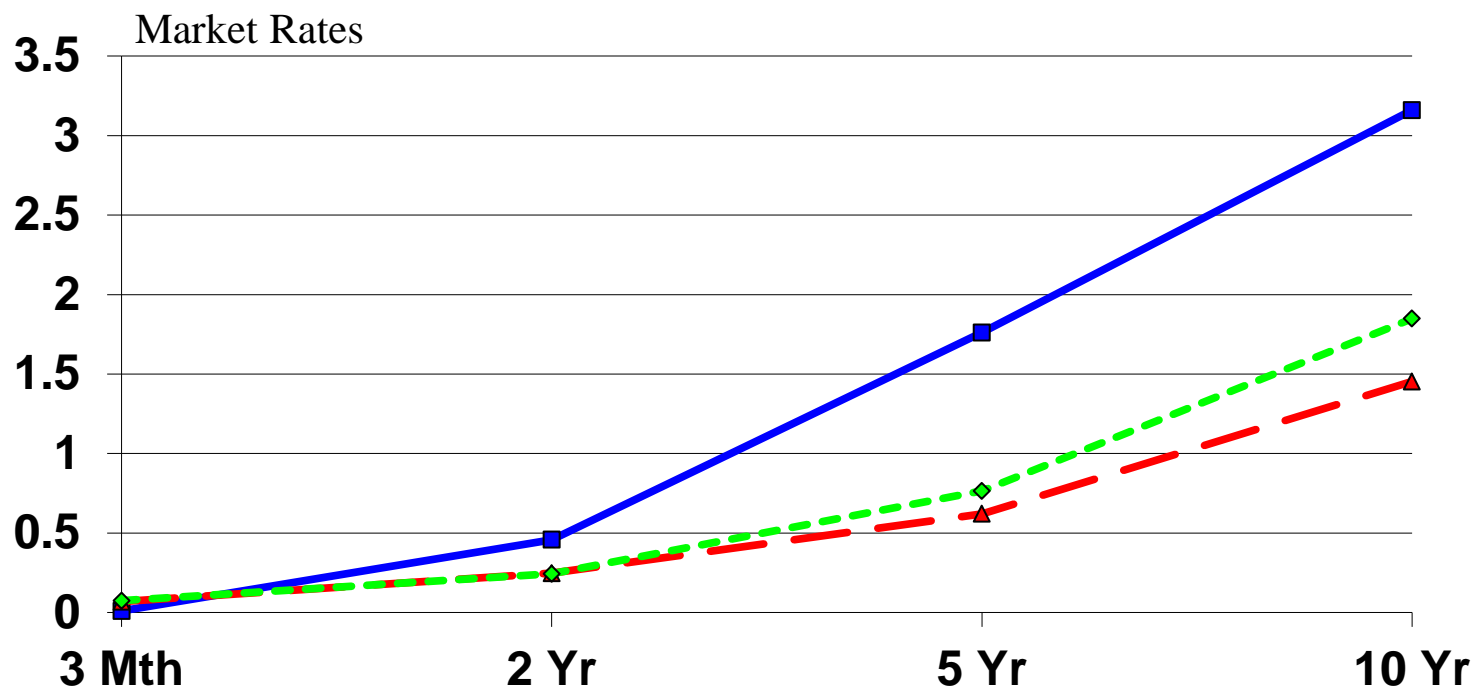
PORTFOLIO EX-LAIF VS. LAIF

JULY 1998 – MARCH 2013



MARKET YIELD CURVE

6/30/11, 6/30/12, 3/31/13

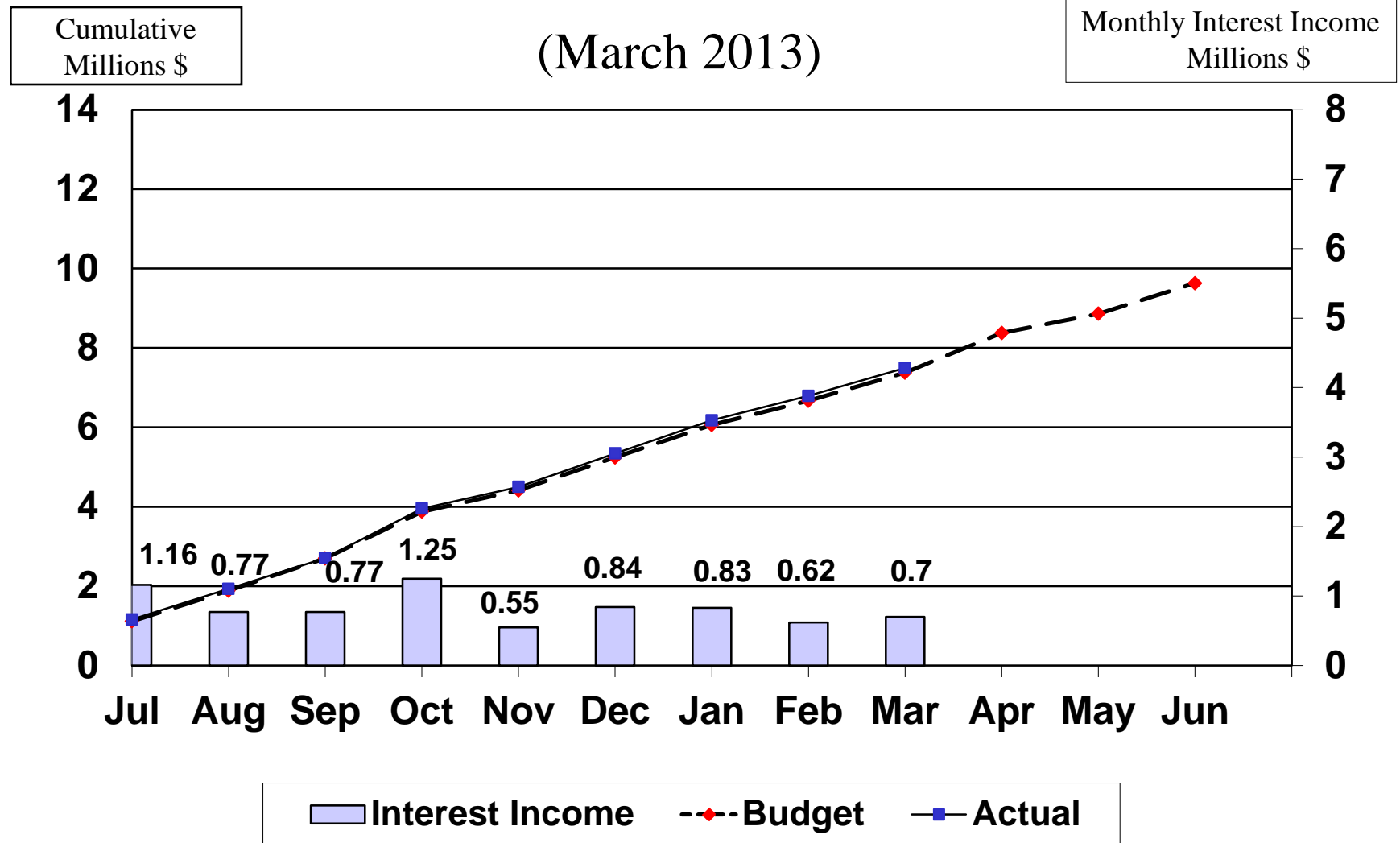


	3 Mth	2 Yr	5 Yr	10 Yr
06/30/2011	.01	.46	1.76	3.16
06/30/2012	.07	.25	0.62	1.45
03/31/2013	.07	.24	0.77	1.85

Cumulative Cash Income

FY12-13

(March 2013)



City of Carlsbad

TRANSACTIONS FOR PERIOD:

01/01/13 TO 03/31/13 3RD QUARTER 2012-2013

<u>Trans Date</u>	<u>Investment Date</u>	<u>Type</u>	<u>Security</u>	<u>Call Date</u>	<u>Par Value</u>	<u>Coupon</u>	<u>Amount (Cost)</u>	<u>Return Rate</u>	<u>Interest</u>	<u>Investment Return</u>
BUYS										
JANUARY										
12/18/2012	01/03/2013	FA	FHLMC	N/A	3,000,000.00	0.600%	2,998,500.00	0.613%	73,500.00	3,072,000.00
01/10/2013	01/11/2013	FA	FHLMC	04/05/2013	4,000,000.00	0.750%	4,002,320.00	0.730%	109,680.00	4,112,000.00
01/03/2013	01/16/2013	CD	BANK OF HOLLAND	07/16/2013	249,000.00	1.000%	248,751.00	1.200%	12,699.00	261,450.00
01/03/2013	01/16/2013	CD	BANK OF N. MICHIGAN	07/16/2013	249,000.00	1.000%	248,751.00	1.200%	12,699.00	261,450.00
01/16/2013	01/17/2013	FA	FHLMC	02/14/2013	3,200,000.00	1.000%	3,200,000.00	1.000%	146,400.00	3,346,400.00
01/15/2013	01/18/2013	CD	STEARNS BANK	01/18/2014	249,000.00	0.900%	248,253.00	0.900%	11,952.00	260,205.00
01/08/2013	01/22/2013	FA	FHLMC	01/22/2015	3,350,000.00	0.950%	3,341,826.00	1.000%	167,299.00	3,509,125.00
01/17/2013	01/23/2013	CN	GENERAL ELECTRIC CO	N/A	3,000,000.00	0.850%	3,010,440.00	0.720%	58,693.33	3,069,133.33
01/17/2013	01/23/2013	CN	PROCTER & GAMBLE	08/15/2016	1,000,000.00	1.450%	1,025,260.00	0.730%	26,376.11	1,051,636.11
01/10/2013	01/23/2013	CD	1ST FARMERS BANK	01/24/2014	249,000.00	1.000%	248,626.50	1.031%	12,823.50	261,450.00
01/24/2013	01/25/2013	FA	FAMCA	N/A	5,000,000.00	0.930%	5,004,870.00	0.910%	227,500.83	5,232,370.83
01/15/2013	01/30/2013	CD	FARMERS & MERCHANT	01/30/2014	249,000.00	0.900%	248,253.00	1.200%	11,952.00	260,205.00
01/03/2013	01/30/2013	FA	FHLB	07/30/2013	5,000,000.00	1.000%	5,000,000.00	1.000%	250,000.00	5,250,000.00
01/08/2013	01/30/2013	FA	FHLB	07/30/2013	5,000,000.00	1.000%	5,000,000.00	1.000%	250,000.00	5,250,000.00
FEBRUARY										
01/24/2013	02/01/2013	FA	FFCB	N/A	5,000,000.00	0.400%	4,998,750.00	0.484%	61,250.00	5,060,000.00
01/28/2013	02/01/2013	FA	FAMCA	N/A	5,000,000.00	1.050%	5,000,000.00	1.050%	262,354.17	5,262,354.17
01/31/2013	02/05/2013	FA	FHLB	08/05/2013	5,000,000.00	1.000%	4,987,500.00	1.050%	262,500.00	5,250,000.00
01/28/2013	02/06/2013	CD	ORIENTAL BANK & TRUST	08/06/2013	249,000.00	0.900%	249,000.00	1.050%	6,735.45	255,735.45
01/30/2013	02/06/2013	CD	KEYBANK NATIONAL	N/A	248,000.00	0.450%	248,000.00	0.450%	2,263.00	250,263.00
02/14/2013	02/19/2013	FA	FFCB	11/27/2013	2,000,000.00	0.870%	1,985,000.00	1.030%	98,036.67	2,083,036.67
MARCH										
02/27/2013	03/04/2013	CD	GATEWAY BANK OF SW	07/28/2013	209,000.00	0.950%	208,373.00	1.070%	10,367.28	218,740.28
02/21/2013	03/06/2013	FA	FNMA	03/06/2015	3,050,000.00	1.000%	3,050,000.00	1.000%	144,875.00	3,194,875.00
03/05/2013	03/06/2013	FA	FNMA	05/22/2013	5,000,000.00	0.625%	5,001,350.00	1.140%	91,184.72	5,092,534.72
03/05/2013	03/08/2013	CN	WAL-MART	N/A	3,000,000.00	5.800%	3,669,120.00	1.140%	189,763.33	3,858,883.33
03/07/2013	03/12/2013	FA	FFCB	03/12/2014	5,000,000.00	1.030%	4,991,500.00	1.065%	266,000.00	5,257,500.00
03/11/2013	03/14/2013	CD	SUNTRUST BANK ATLANT	N/A	200,000.00	0.280%	198,780.00	0.649%	2,152.35	200,932.35
03/11/2013	03/28/2013	FA	FNMA	03/28/2014	4,000,000.00	0.500%	4,000,000.00	0.500%	60,000.00	4,060,000.00
03/21/2013	03/26/2013	CN	COCA-COLA	N/A	1,000,000.00	1.150%	1,000,000.00	1.150%	57,627.78	1,057,627.78
03/27/2013	03/28/2013	FA	FHLB	08/19/2013	4,000,000.00	0.500%	4,000,000.00	0.500%	57,833.33	4,057,833.33
03/22/2013	03/28/2013	CD	WASHINGTON FEDERAL	09/28/2013	249,000.00	1.000%	248,253.00	1.062%	13,197.00	261,450.00
TOTAL THIRD QUARTER 2012-2013					<u>77,000,000.00</u>		<u>77,661,476.50</u>	<u>0.89%</u>	<u>2,957,714.85</u>	<u>80,619,191.35</u>

City of Carlsbad

TRANSACTIONS FOR PERIOD:

01/01/13 TO 03/31/13 3RD QUARTER 2012-2013

Trans Date	Investment Date	Type	Security	Call Date	Par Value	Coupon	Amount (Cost)	Return Rate	Interest	Investment Return
MATURITIES										
JANUARY										
	01/14/2008	FA	FHLB	N/A	3,000,000.00	4.250%	3,000,000.00	4.250%	637,500.00	3,637,500.00
	03/18/2011	CN	ME LIFE OF CONNECTICU	N/A	2,000,000.00	5.010%	2,121,360.00	1.561%	58,165.00	2,179,525.00
FEBRUARY										
	10/20/2009	FA	FFCB	N/A	1,000,000.00	5.150%	1,102,490.00	1.926%	67,316.94	1,169,806.94
	10/07/2010	FA	FFCB	N/A	1,065,000.00	3.400%	1,133,986.44	0.600%	15,503.56	1,149,490.00
MARCH										
	03/10/2008	FA	FHLB	N/A	3,000,000.00	3.500%	2,963,940.00	3.765%	560,476.67	3,524,416.67
	12/28/2010	CN	ROYAL BANK OF CANADA	N/A	2,000,000.00	2.250%	2,047,930.00	1.150%	51,695.00	2,099,625.00
TOTAL THIRD QUARTER 2012-2013					<u>12,065,000.00</u>		<u>12,369,706.44</u>	<u>2.62%</u>	<u>1,390,657.17</u>	<u>13,760,363.61</u>

CALLS

JANUARY										
	04/11/2012	FA	FNMA	01/30/2013	4,000,000.00	0.750%	3,998,000.00	1.528%	296,083.33	4,294,083.33
	01/30/2012	FA	FNMA	01/30/2013	5,000,000.00	1.300%	5,000,000.00	1.300%	325,000.00	5,325,000.00
FEBRUARY										
	03/01/2012	FA	FNMA	02/08/2013	3,000,000.00	0.5%STEP	2,999,700.00	1.317%	156,841.67	3,156,541.67
	02/06/2012	FA	FNMA	02/06/2013	5,000,000.00	0.75% STEP	5,000,000.00	1.682%	425,000.00	5,425,000.00
	05/21/2012	FA	FNMA	02/21/2013	4,000,000.00	1.100%	3,988,000.00	1.165%	221,000.00	4,209,000.00
	02/21/2012	FA	FNMA	02/21/2013	5,000,000.00	1.100%	4,985,000.00	1.162%	290,000.00	5,275,000.00
	02/22/2012	FA	FFCB	02/22/2013	5,000,000.00	0.850%	5,000,000.00	0.850%	170,000.00	5,170,000.00
MARCH										
	04/26/2012	FA	FNMA	03/08/2013	4,000,000.00	1.200%	4,000,000.00	1.200%	233,600.00	4,233,600.00
	03/08/2013	FA	FNMA	03/08/2013	5,000,000.00	1.375%	5,000,000.00	1.375%	343,750.00	5,343,750.00
	05/03/2012	FA	FNMA	03/28/2013	1,655,000.00	1.010%	1,655,000.00	1.304%	106,280.88	1,761,280.88
TOTAL THIRD QUARTER 2012-2013					<u>41,655,000.00</u>		<u>41,625,700.00</u>	<u>1.29%</u>	<u>2,567,555.88</u>	<u>44,193,255.88</u>

**INVESTMENT REPORT
AS OF MARCH 31, 2013**

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
10/20/2009	FA	FHLMC 4.25% NON-CALL	500,000.00	536,967.86	2.100%	39,296.03	576,263.89	1,310
10/20/2009	FA	FHLMC 4.0% NON-CALL	500,000.00	532,794.50	2.120%	40,094.39	572,888.89	1,331
11/10/2008	FA	FHLB 5.375% NON-CALL	1,000,000.00	1,065,788.37	3.800%	181,163.02	1,246,951.39	1,677
08/13/2009	FA	FHLB 4.25% NON-CALL	2,000,000.00	2,130,988.03	2.450%	195,081.41	2,326,069.44	1,401
05/25/2010	FA	FFCB 1.375% NON-CALL	2,000,000.00	1,993,760.00	1.479%	91,031.67	2,084,791.67	1,127
12/28/2009	FA	FHLB 1.85% NON-CALL	2,000,000.00	1,987,226.45	2.040%	142,273.55	2,129,500.00	1,278
08/27/2008	FA	FNMA 4.375% NON-CALL	2,000,000.00	2,035,600.00	3.970%	392,177.78	2,427,777.78	1,785
08/19/2009	FA	FFCB 2.7% NON-CALL	1,000,000.00	1,005,669.88	2.550%	102,330.12	1,108,000.00	1,461
11/12/2008	FA	FHLB 4.0% NON-CALL	1,000,000.00	1,007,890.00	3.818%	184,776.67	1,192,666.67	1,759
12/17/2008	FA	FHLB 4.375% NON-CALL	2,000,000.00	2,154,940.00	2.625%	259,712.78	2,414,652.78	1,731
03/24/2010	FA	FHLMC 4.125% NON-CALL	3,000,000.00	3,222,330.00	1.930%	211,826.25	3,434,156.25	1,283
02/23/2010	FA	FFCB 3.875% NON-CALL	1,000,000.00	1,065,180.00	2.000%	75,181.11	1,140,361.11	1,322
10/19/2011	FA	FNMA 1.125% NON-CALL	5,000,000.00	5,061,150.00	0.500%	49,631.25	5,110,781.25	720
04/15/2010	FA	FHLB 2.00% NON-CALL	2,000,000.00	2,000,000.00	2.000%	140,000.00	2,140,000.00	1,279
10/19/2009	FA	FFCB 5.350% NON-CALL	2,000,000.00	2,235,072.36	2.264%	193,522.08	2,428,594.44	1,463
01/20/2009	FA	FHLB 3.125% NON-CALL	2,000,000.00	2,047,941.08	2.600%	258,135.31	2,306,076.39	1,788
02/12/2010	FA	FFCB 3.00% NON-CALL	1,000,000.00	1,028,536.49	2.250%	91,463.51	1,120,000.00	1,461
09/17/2010	FA	FNMA 1.3% CALL 3/17/11	2,000,000.00	2,000,000.00	1.300%	91,000.00	2,091,000.00	1,277
03/24/2010	FA	FHLB 2.5% NON-CALL	3,000,000.00	3,016,423.52	2.363%	300,034.82	3,316,458.34	1,542
10/20/2009	FA	FFCB 4.375% NON-CALL	3,000,000.00	3,234,480.00	2.595%	381,665.83	3,616,145.83	1,714
03/24/2010	FA	FHLB 5.5% NON-CALL	3,000,000.00	3,395,255.41	2.323%	328,452.92	3,723,708.33	1,603
09/08/2010	FA	FNMA 1.50% CALL 3/8/11	2,000,000.00	2,000,000.00	1.500%	120,000.00	2,120,000.00	1,461
03/24/2010	FA	FHLB 5.25% NON-CALL	2,000,000.00	2,231,960.00	2.490%	237,040.00	2,469,000.00	1,633
03/24/2010	FA	FFCB 3.0% NON-CALL	2,000,000.00	2,047,400.80	2.440%	222,265.87	2,269,666.67	1,643
01/23/2012	FA	FHLB .52% NON-CALL	5,000,000.00	5,000,000.00	0.520%	78,000.00	5,078,000.00	1,096
05/08/2012	FA	FNMA .55% CALL 2/27/14 ONE TIME	3,000,000.00	3,002,700.00	0.518%	43,545.83	3,046,245.83	1,025
02/23/2012	FA	FHLB .55% NON-CALL	5,000,000.00	5,000,000.00	0.550%	88,763.89	5,088,763.89	1,177
05/29/2012	FA	FNMA .65% CALL 5/29/13 ONE TIME	5,000,000.00	5,000,000.00	0.650%	97,500.00	5,097,500.00	1,095
08/08/2012	FA	FAMCA .55% NON-CALL	5,000,000.00	5,011,500.00	0.470%	68,250.00	5,079,750.00	1,058
03/30/2011	FA	FHLB 2.0% NON-CALL	2,000,000.00	1,999,000.00	2.012%	174,333.33	2,173,333.33	1,583
08/27/2012	FA	FNMA .52% CALL 8/27/13	5,000,000.00	5,000,000.00	0.520%	78,000.00	5,078,000.00	1,095
04/04/2011	FA	FHLB 2.0% NON-CALL	2,000,000.00	2,000,000.00	2.000%	176,000.00	2,176,000.00	1,607
09/21/2010	FA	FNMA 2.0% CALL 3/21/11	2,000,000.00	2,000,000.00	2.000%	200,000.00	2,200,000.00	1,826
10/28/2010	FA	FNMA 1.50% CALL 4/28/11	2,000,000.00	1,999,000.00	1.510%	151,000.00	2,150,000.00	1,826
06/04/2012	FA	FNMA .71% CALL 6/4/13 QRTLY	3,900,000.00	3,900,000.00	0.710%	96,915.00	3,996,915.00	1,278
06/20/2012	FA	FNMA 2.00% NON-CALL	4,000,000.00	4,186,600.00	0.660%	95,622.22	4,282,222.22	1,288
02/01/2013	FA	FFCB .4% NON-CALL	5,000,000.00	4,998,750.00	0.484%	61,250.00	5,060,000.00	1,095
06/01/2012	FA	FNMA .50% CALL 5/17/13 QRTLY STEP	4,000,000.00	3,999,800.00	1.102%	164,422.22	4,164,222.22	1,356
03/28/2013	FA	FHLB .500% CALL 8/19/13 CONT	4,000,000.00	4,000,000.00	0.500%	57,833.33	4,057,833.33	1,058
03/06/2013	FA	FNMA .625% CALL 5/22/13 QRTLY	5,000,000.00	5,001,350.00	1.140%	91,184.72	5,092,534.72	1,083
02/24/2012	FA	FHLMC .85% ONE CALL 2/24/14	3,000,000.00	2,995,500.00	0.890%	106,500.00	3,102,000.00	1,461
06/20/2012	FA	FNMA 2.25% NON-CALL	5,000,000.00	5,285,278.17	0.700%	135,034.33	5,420,312.50	1,364

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INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
06/27/2012	FA	FFCB .80% CALL 6/21/13 CONTINUOUS	5,000,000.00	5,002,500.00	0.786%	146,833.33	5,149,333.33	1,363
03/28/2013	FA	FNMA .50% CALL 3/28/14 ONE TIME	4,000,000.00	4,000,000.00	0.500%	60,000.00	4,060,000.00	1,096
10/18/2012	FA	FFCB .50% CALL 1/18/13 CONTINUOUS	5,000,000.00	4,996,250.00	0.522%	91,250.00	5,087,500.00	1,278
04/27/2011	FA	FHLB 2.5% NON-CALL	2,000,000.00	2,000,000.00	2.500%	250,000.00	2,250,000.00	1,827
01/11/2013	FA	FHLMC .75% CALL 4/5/13 QRTLY	4,000,000.00	4,002,320.00	0.730%	109,680.00	4,112,000.00	1,363
10/06/2011	FA	FFCB 1.30% NON-CALL	5,000,000.00	5,000,000.00	1.300%	325,000.00	5,325,000.00	1,827
12/05/2012	FA	FFCB .65% CALL 1/24/13 CONTINUOUS	2,266,000.00	2,265,433.50	0.657%	57,805.03	2,323,238.53	1,419
06/06/2012	FA	FNMA 1.0% CALL 5/23/13 QRTLY	2,000,000.00	1,999,000.00	1.011%	90,277.78	2,089,277.78	1,631
11/27/2012	FA	FHLB .55% BULLET	5,000,000.00	5,000,000.00	0.550%	112,291.67	5,112,291.67	1,491
12/27/2012	FA	FFCB .60% BULLET	3,000,000.00	3,000,000.00	0.600%	90,000.00	3,090,000.00	1,461
01/03/2013	FA	FHLMC .60% BULLET	3,000,000.00	2,998,500.00	0.613%	73,500.00	3,072,000.00	1,461
05/24/2012	FA	FNMA 1.150% ONE CALL 2/28/14	2,050,000.00	2,050,000.00	1.150%	112,243.19	2,162,243.19	1,741
03/13/2012	FA	FNMA 1.150% ONE CALL 3/13/14	3,950,000.00	3,942,100.00	1.191%	235,025.00	4,177,125.00	1,826
04/26/2012	FA	FFCB 1.20% CALL 4/25/13 CONTINUOUS	3,000,000.00	2,998,200.00	1.200%	181,700.00	3,179,900.00	1,825
05/10/2012	FA	FNMA 1.30% CALL 5/10/13 QRTLY	5,000,000.00	5,000,000.00	1.300%	325,000.00	5,325,000.00	1,826
06/04/2012	FA	FNMA .625% CALL 5/17/13 ANNUAL STEP	4,000,000.00	4,000,000.00	1.566%	313,819.44	4,313,819.44	1,808
05/24/2012	FA	FHLMC 1.2% CALL 5/24/13 QRTLY	5,000,000.00	4,995,000.00	1.221%	305,000.00	5,300,000.00	1,826
05/30/2012	FA	FHLMC 1.2% CALL 5/30/14 QRTLY	5,000,000.00	5,000,000.00	1.200%	300,000.00	5,300,000.00	1,826
06/07/2012	FA	FHLMC 1.30% CALL 6/7/13 QRTLY	4,000,000.00	4,000,000.00	1.300%	260,000.00	4,260,000.00	1,826
07/05/2012	FA	FHLMC 1.150% CALL 6/7/13 QRTLY	1,000,000.00	999,750.00	1.155%	56,855.56	1,056,605.56	1,798
08/16/2012	FA	FHLB .875% NON-CALL	4,000,000.00	4,000,000.00	0.875%	169,166.67	4,169,166.67	1,765
07/12/2012	FA	FNMA 1.1% CALL 7/11/14 QRTLY	4,000,000.00	4,000,000.00	1.100%	219,877.78	4,219,877.78	1,825
08/14/2012	FA	FNMA 1.0% CALL 8/14/13 QRTLY	5,000,000.00	5,000,000.00	1.000%	250,000.00	5,250,000.00	1,826
01/17/2013	FA	FHLMC 1.0% CALL 2/14/13 QRTLY	3,200,000.00	3,200,000.00	1.000%	146,400.00	3,346,400.00	1,670
12/11/2012	FA	FNMA .70% CALL8/22/13 QRTLY STEP	2,800,000.00	2,803,889.20	0.700%	132,976.36	2,936,865.56	1,715
09/27/2012	FA	FNMA 0.70% CALL 9/27/13 QRTLY STEP	5,000,000.00	5,000,000.00	1.165%	293,750.00	5,293,750.00	1,826
12/19/2012	FA	FHLB 1.0% CALL 5/9/13 MONTHLY	3,000,000.00	2,999,400.00	1.000%	147,266.67	3,146,666.67	1,786
10/18/2012	FA	FFCB .87% CALL 10/18/13 CONT	5,000,000.00	4,998,500.00	0.876%	219,000.00	5,217,500.00	1,826
10/18/2012	FA	FNMA 0.70% CALL 10/18/13 QRTLY STEP	5,000,000.00	5,000,000.00	1.100%	275,000.00	5,275,000.00	1,826
11/27/2012	FA	FNMA 0.90% CALL 11/27/13 QRTLY	4,000,000.00	4,000,000.00	1.100%	1,275,000.00	5,275,000.00	1,826
02/19/2013	FA	FFCB .87% CALL 11/27/13 CONT	2,000,000.00	1,985,000.00	1.030%	98,036.67	2,083,036.67	1,742
03/06/2013	FA	FNMA 1.0% CALL 3/6/15 ONE TIME	3,050,000.00	3,050,000.00	1.000%	144,875.00	3,194,875.00	1,736
12/03/2012	FA	FHLB 2.625% NON-CALL	3,000,000.00	3,270,090.00	0.790%	124,753.75	3,394,843.75	1,831
12/28/2012	FA	FHLB .95% CALL 6/28/13 MONTHLY	5,000,000.00	5,000,000.00	0.950%	237,500.00	5,237,500.00	1,826
01/22/2013	FA	FHLMC .95% CALL 1/22/15 QRTLY	3,350,000.00	3,341,826.00	1.000%	167,299.00	3,509,125.00	1,826
01/25/2013	FA	FAMCA .93% NON-CALL	5,000,000.00	5,004,870.00	0.910%	227,500.83	5,232,370.83	1,825
01/30/2013	FA	FHLB 1.00% CALL 7/30/13 QRTLY	5,000,000.00	5,000,000.00	1.000%	250,000.00	5,250,000.00	1,826
01/30/2013	FA	FHLB 1.00% CALL 7/30/13 QRTLY	5,000,000.00	5,000,000.00	1.000%	237,500.00	5,237,500.00	1,826
02/01/2013	FA	FAMCA 1.05% NON-CALL	5,000,000.00	5,000,000.00	1.000%	262,354.17	5,262,354.17	1,824
02/05/2013	FA	FHLB 1.00% CALL 8/5/13 CONT	5,000,000.00	4,987,500.00	1.050%	262,500.00	5,250,000.00	1,826
03/12/2013	FA	FFCB 1.03% CALL 3/12/14 CONT	5,000,000.00	4,991,500.00	1.065%	266,000.00	5,257,500.00	1,826
SUB-TOTAL			277,566,000.00	280,298,461.62	1.157%	15,195,349.14	295,493,810.76	-

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<u>INVESTMENT DATE</u>	<u>TYPE</u>	<u>SECURITY</u>	<u>PAR VALUE</u>	<u>INVESTED AMOUNT</u>	<u>RETURN RATE</u>	<u>INTEREST</u>	<u>INVESTMENT RETURN</u>	<u>TERM (Days)</u>
03/09/2010	FN	FICO 0.0% NON-CALL	2,000,000.00	1,882,080.00	1.850%	117,920.00	2,000,000.00	1,206
10/04/2011	FN	TENNESSEE VALLEY AUTHORITY 0.00% NON-CALL	4,143,000.00	4,099,415.64	0.510%	87,168.72	4,186,584.36	759
01/18/2011	FN	FICO 0.00% NON-CALL	1,076,000.00	1,027,655.32	1.370%	96,689.36	1,124,344.68	1,228
11/24/2010	FN	FNMA 0% NON-CALL	2,000,000.00	1,922,260.00	1.100%	155,480.00	2,077,740.00	1,319
03/09/2011	FN	FNMA .00% NON-CALL	2,657,000.00	2,511,688.67	1.700%	290,622.66	2,802,311.33	1,214
07/25/2011	FN	FNMA 00% NON-CALL	2,500,000.00	2,419,825.00	1.020%	80,175.00	2,500,000.00	1,171
SUB-TOTAL			14,376,000.00	13,862,924.63	0.964%	828,055.74	14,690,980.37	1,150
Federal Investments Total			291,942,000.00	294,161,386.25		16,023,404.88	310,184,791.13	1,150
11/10/2008	TR	US TREASURY 3.125%	1,000,000.00	1,031,328.00	2.430%	118,792.86	1,150,120.86	1,755
11/12/2008	TR	US TREASURY 4.0%	1,000,000.00	1,030,781.25	2.452%	121,777.13	1,152,558.38	1,783
SUB-TOTAL			2,000,000.00	2,062,109.25	2.441%	240,569.99	2,302,679.24	1,769
04/24/2008	CN	MET LIFE GLOBAL FUNDING 5.125% NON-CALL	1,000,000.00	1,003,232.48	5.050%	251,024.46	1,254,256.94	1,812
05/07/2008	CN	MET LIFE GLOBAL FUNDING 5.125% NON-CALL	2,000,000.00	2,019,402.04	4.900%	485,410.46	2,504,812.50	1,799
05/12/2009	CN	WAL-MART 4.250% NON-CALL	1,000,000.00	1,047,829.91	2.950%	118,982.59	1,166,812.50	1,434
05/30/2008	CN	ALLSTATE LIFE 5.375% NON-CALL	2,000,000.00	2,023,559.81	5.100%	504,981.86	2,528,541.67	1,796
05/09/2008	CN	NEW YORK LIFE 4.650% NON-CALL	1,000,000.00	1,006,649.66	4.500%	225,850.34	1,232,500.00	1,826
02/11/2011	CN	NEW YORK LIFE 4.650% NON-CALL	2,000,000.00	2,150,000.00	1.250%	58,733.33	2,208,733.33	818
12/23/2008	CN	BERKSHIRE HATHWWY 4.60% NON-CALL	1,000,000.00	1,023,835.68	4.000%	177,542.10	1,201,377.78	1,604
05/12/2009	CN	3 M 4.375% NON-CALL	2,000,000.00	2,121,417.76	2.850%	251,186.41	2,372,604.17	1,556
07/18/2011	CN	GENERAL ELECTRIC 2.10% NON-CALL	2,000,000.00	2,037,760.00	1.320%	65,956.67	2,103,716.67	904
04/04/2012	CN	METLIFE GLOBAL 1.481% NON-CALL FLOATING	2,000,000.00	2,014,740.00	0.950%	39,986.00	2,054,726.00	730
12/27/2011	CN	MASS MUTUAL GLOB 2.875% NON-CALL	2,500,000.00	2,583,739.37	1.400%	82,771.05	2,666,510.42	846
05/27/2011	CN	WAL-MART 3.20% NON-CALL	2,500,000.00	2,645,275.00	1.200%	92,058.33	2,737,333.33	1,084
05/29/2009	CN	WAL-MART 3.20% NON-CALL	1,000,000.00	1,003,190.00	3.130%	155,565.56	1,158,755.56	1,812
05/20/2010	CN	MICROSOFT 2.95% NON-CALL	2,000,000.00	2,072,820.00	2.005%	164,982.78	2,237,802.78	1,473
10/07/2011	CN	METLIFE GLOBAL 5.125% NON-CALL	1,500,000.00	1,625,547.72	1.900%	80,092.90	1,705,640.62	977
12/23/2011	CN	GENERAL ELECTRIC CAPITAL .696% FLOATING	2,000,000.00	1,914,520.00	2.250%	123,464.31	2,037,984.31	997
10/05/2011	CN	PROVEDENCE HEALTH 5.05% CALL @ MAKEWHOLE	2,000,000.00	2,237,929.50	1.000%	63,948.28	2,301,877.78	1,092
04/05/2012	CN	BERKSHIRE HATHAWAY 5.50% NON-CALL	2,000,000.00	2,236,460.00	0.700%	37,317.78	2,273,777.78	909
10/28/2011	CN	METLIFE GLOBAL 2.00% NON-CALL	1,475,000.00	1,490,888.40	1.500%	49,011.60	1,539,900.00	1,078
01/17/2012	CN	NEW YORK LIFE 1.30% NON-CALL	5,000,000.00	5,021,951.16	1.150%	172,146.06	5,194,097.22	1,091
02/01/2012	CN	GENERAL ELECTRIC 1.375% FLOATER	5,000,000.00	5,000,000.00	1.375%	206,059.03	5,206,059.03	1,094
08/13/2012	CN	IBM CORP .55% NON-CALL	3,500,000.00	3,504,305.00	0.500%	43,445.69	3,547,750.69	907
09/16/2011	CN	BERKSHIRE HATHAWAY 3.20% NON-CALL	3,000,000.00	3,175,710.00	1.430%	150,956.67	3,326,666.67	1,244
05/02/2012	CN	TOYOTA .50% STEP CALL 4/3/013 QRTLY	4,000,000.00	4,000,000.00	1.000%	119,888.89	4,119,888.89	1,093
02/17/2012	CN	SHELL INTERNATIONAL FIN 3.1% NON-CALL	5,000,000.00	5,384,350.00	0.780%	137,052.78	5,521,402.78	1,227
10/04/2011	CN	MERCK & CO 4.0% NON-CALL	5,000,000.00	5,498,750.00	1.260%	249,027.78	5,747,777.78	1,365

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INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
04/17/2012	CN	PROCTER & GAMBLE 3.150% NON-CALL	3,000,000.00	3,242,427.56	0.720%	76,247.44	3,318,675.00	1,232
02/09/2011	CN	MET LIFE GLOBAL FUNDING 2.5% NON-CALL	1,000,000.00	978,478.42	3.000%	137,493.80	1,115,972.22	1,693
05/06/2011	CN	MET LIFE GLOBAL FUNDING 2.5% NON-CALL	1,000,000.00	993,799.11	2.650%	116,131.45	1,109,930.56	1,607
10/09/2012	CN	GENERAL ELECTRICT COMPANY .85% NON-CALL	5,000,000.00	5,022,225.00	0.700%	105,275.00	5,127,500.00	1,095
01/23/2013	CN	GENERAL ELECTRICT COMPANY .85% NON-CALL	3,000,000.00	3,010,440.00	0.720%	58,693.33	3,069,133.33	989
10/06/2011	CN	WAL-MART 1.50% NON-CALL	3,000,000.00	3,049,826.34	1.080%	132,548.66	3,182,375.00	1,480
05/15/2012	CN	WAL-MART 1.50% NON-CALL	2,630,000.00	2,696,944.02	0.750%	68,939.31	2,765,883.33	1,258
02/10/2012	CN	PROCTER & GAMBLE 1.80% NON-CALL	2,844,000.00	2,965,410.36	0.650%	71,270.64	3,036,681.00	1,374
12/15/2010	CN	BARCLAYS BANK 3.10% NON-CALL	2,000,000.00	2,000,000.00	3.100%	310,000.00	2,310,000.00	1,826
12/15/2010	CN	ROYAL BANK OF CANADA 2.625% NON-CALL	2,000,000.00	2,038,220.00	2.220%	225,009.16	2,263,229.16	1,826
04/13/2012	CN	PROCTER & GAMBLE 4.85% NON-CALL	1,000,000.00	1,147,830.00	0.760%	30,272.78	1,178,102.78	1,341
10/31/2011	CN	MET LIFE GLOBAL FUNDING 3.125% NON-CALL	1,635,000.00	1,695,247.73	2.200%	154,062.17	1,849,309.90	1,533
12/28/2011	CN	MET LIFE GLOBAL FUNDING 3.125% NON-CALL	2,000,000.00	2,063,239.83	2.300%	189,017.11	2,252,256.94	1,475
01/25/2012	CN	MET LIFE GLOBAL FUNDING 3.125% NON-CALL	5,000,000.00	5,189,924.57	2.120%	428,999.04	5,618,923.61	1,447
03/09/2012	CN	MET LIFE GLOBAL FUNDING 3.125% NON-CALL	3,000,000.00	3,169,646.15	1.600%	190,249.68	3,359,895.83	1,403
02/08/2012	CN	GENERAL ELECTRIC 1.55% NON-CALL FLOATER	5,000,000.00	5,000,000.00	1.390%	227,500.00	5,227,500.00	1,461
05/06/2011	CN	MASS MUTUAL GLOB 3.125% NON-CALL	1,000,000.00	1,024,175.57	3.125%	130,164.71	1,154,340.28	1,805
05/16/2011	CN	GENERAL ELECTRIC 2.95% NON-CALL	2,000,000.00	2,000,912.32	2.940%	292,940.46	2,293,852.78	1,820
06/17/2011	CN	GENERAL ELECTRIC 2.95% NON-CALL	2,000,000.00	2,009,952.38	2.840%	278,819.84	2,288,772.22	1,788
09/12/2011	CN	GENERAL ELECTRIC 2.95% NON-CALL	1,400,000.00	1,427,513.33	2.500%	164,875.84	1,592,389.17	1,701
12/04/2012	CN	JOHNSON & JOHNSON 2.15% NON-CALL	2,000,000.00	2,104,120.00	0.621%	44,110.56	2,148,230.56	1,258
09/04/2012	CN	GOOGLE 2.125% NON-CALL	1,000,000.00	1,050,940.00	2.125%	6,197.92	1,057,137.92	1,353
10/27/2011	CN	PROCTER & GAMBLE 1.45% NON-CALL	5,000,000.00	5,011,536.25	1.400%	336,463.75	5,348,000.00	1,754
10/11/2011	CN	BERKSHIRE HATHAWAY 2.20% NON-CALL	5,000,000.00	5,022,855.25	2.100%	510,033.64	5,532,888.89	1,770
01/23/2013	CN	PROCTER & GAMBLE 1.45% NON-CALL	1,000,000.00	1,025,260.00	0.730%	26,376.11	1,051,636.11	1,300
10/02/2012	CN	COCA COLA CA 1.8% NON-CALL	3,000,000.00	3,133,106.35	0.650%	78,243.65	3,211,350.00	1,430
09/22/2011	CN	TOYOTA 2.0% NON-CALL	5,000,000.00	5,023,645.00	1.900%	474,410.56	5,498,055.56	1,820
11/10/2011	CN	NEW YORK LIFE 2.45% NON-CALL	3,550,000.00	3,669,194.08	1.700%	287,655.64	3,956,849.72	1,708
01/31/2012	CN	BERSHIRE HATHAWAY 1.90% NON-CALL	5,000,000.00	5,047,739.83	1.700%	427,260.17	5,475,000.00	1,827
01/31/2012	CN	HSBC BANK USA 2.5% FLOATING RATE	5,000,000.00	5,000,000.00	1.748%	425,000.00	5,425,000.00	1,827
03/05/2012	CN	BERSHIRE HATHAWAY 1.90% NON-CALL	2,850,000.00	2,914,809.00	1.418%	200,676.42	3,115,485.42	1,793
08/06/2012	CN	IBM CORP 1.250% NON-CALL	5,000,000.00	5,077,000.00	0.900%	204,250.00	5,281,250.00	1,645
02/16/2012	CN	WESTPAC BANKING CORP 2.3% NON-CALL	5,000,000.00	5,000,000.00	2.300%	574,680.56	5,574,680.56	1,826
04/18/2012	CN	WAL-MART STORES 5.375% NON-CALL	3,000,000.00	3,568,354.19	1.400%	229,833.31	3,798,187.50	1,813
06/05/2012	CN	HSBC BANK USA 1.925% FLOATER	5,000,000.00	5,000,000.00	1.507%	380,000.00	5,380,000.00	1,826
03/08/2013	CN	WAL-MART 5.8%	3,000,000.00	3,669,120.00	1.140%	189,763.33	3,858,883.33	1,805
03/26/2013	CN	COCA COLA CA 1.150% MAKE-WHOLE CALL	1,000,000.00	1,000,000.00	1.150%	57,627.78	1,057,627.78	1,832
SUB-TOTAL			173,384,000.00	178,887,756.13	1.617%	11,948,537.53	190,836,293.66	1,466
09/20/2012	CD	BEAL BANK USA .50%	247,000.00	247,000.00	0.500%	1,136.85	248,136.85	342
09/16/2011	CD	SAFRA NATIONAL BANK .80%	248,000.00	248,000.00	0.800%	3,973.43	251,973.43	731

**INVESTMENT REPORT
AS OF MARCH 31, 2013**

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
09/16/2011	CD	MERRICK BANK .70%	249,000.00	249,000.00	0.700%	3,490.83	252,490.83	731
09/30/2011	CD	COMPASS BANK 1.0%	248,000.00	248,000.00	1.000%	4,966.80	252,966.80	731
10/07/2011	CD	DORAL BANK 1.0%	248,000.00	248,000.00	1.000%	4,966.80	252,966.80	731
10/18/2011	CD	MEDALLION BANK .75%	249,000.00	249,000.00	0.750%	3,740.11	252,740.11	731
12/19/2012	CD	MIZUHO CORPORATE BANK .50%	247,000.00	247,000.00	0.500%	1,235.00	248,235.00	365
04/16/2012	CD	CAPAHA BANK 1.1%	249,000.00	249,000.00	1.100%	5,503.55	254,503.55	764
06/13/2012	CD	SOVEREIGN BANK .65%	248,000.00	248,000.00	0.650%	3,224.00	251,224.00	730
04/16/2012	CD	BANK OF GEORGETOWN 1.0%	249,000.00	249,000.00	1.000%	5,402.96	254,402.96	792
06/20/2012	CD	FIRST NATL BANK OMAHA NEB .70%	249,000.00	249,000.00	0.700%	3,486.00	252,486.00	730
08/17/2011	CD	AMERICAN EXPRES CENTURION BANK 1.20%	248,000.00	248,000.00	1.200%	8,887.23	256,887.23	1,090
08/17/2011	CD	CIT BANK 1.10%	248,000.00	248,000.00	1.100%	8,198.94	256,198.94	1,097
08/17/2011	CD	DISCOVER BANK 1.15%	248,000.00	248,000.00	1.150%	8,571.62	256,571.62	1,097
08/17/2011	CD	ALLY BANK 1.15%	248,000.00	248,000.00	1.150%	8,579.43	256,579.43	1,097
08/17/2011	CD	GE MONEY BANK 1.15%	248,000.00	248,000.00	1.150%	8,563.81	256,563.81	1,098
08/19/2011	CD	GE CAPITAL FINANCIAL INC 1.15%	248,000.00	248,000.00	1.150%	8,563.81	256,563.81	1,096
08/24/2011	CD	GOLDMAN SACHS BANK 1.15%	248,000.00	248,000.00	1.150%	8,571.62	256,571.62	1,097
09/21/2011	CD	TRANSPORTATION ALLIANCE BANK INC .75%	249,000.00	249,000.00	0.750%	5,612.71	254,612.71	1,097
09/21/2012	CD	CITIZENS STATE BANK .50%	249,000.00	248,751.00	0.550%	2,742.46	251,493.46	731
09/23/2011	CD	STATE BANK OF INDIA 1.30%	248,000.00	248,000.00	1.300%	9,680.83	257,680.83	1,096
09/23/2011	CD	BMW BANK OF NORTH AMERICA 1.35%	248,000.00	248,000.00	1.350%	10,053.17	258,053.17	1,096
10/24/2012	CD	INDEPENDENCE BANK OF KENTUCKY .50%	249,000.00	248,751.00	0.500%	2,739.00	251,490.00	730
10/24/2012	CD	APPLE BANK FOR SAVINGS .50%	248,000.00	248,000.00	0.500%	2,480.00	250,480.00	730
03/14/2013	CD	SUNTRUST BANK ATLANTA .28%	200,000.00	198,780.00	0.640%	2,152.35	200,932.35	608
04/30/2012	CD	STERLING SAVINGS BANK .75%	248,000.00	248,000.00	0.750%	4,749.36	252,749.36	932
04/20/2012	CD	PLUS INTERNATIONAL .85%	249,000.00	249,000.00	0.850%	5,520.35	254,520.35	952
11/30/2012	CD	SYNOVUS BANK .5%	248,000.00	248,000.00	0.500%	2,473.11	250,473.11	728
06/08/2012	CD	HUNTINGTON NATL BANK .75%	248,000.00	248,000.00	0.750%	4,652.55	252,652.55	913
01/11/2012	CD	SALLIE MAE BANK 1.35%	248,000.00	248,000.00	1.350%	9,869.73	257,869.73	1,076
01/11/2012	CD	BARCLAYS BANK DELAWARE 1.25%	248,000.00	248,000.00	1.250%	9,308.49	257,308.49	1,096
10/17/2012	CD	FIRST STATE BANK/MENDOZA .50%	249,000.00	248,701.20	0.550%	3,636.09	252,337.29	825
02/06/2013	CD	KEYBANK NATIONAL ASSOCIATION .45%	248,000.00	248,000.00	0.450%	2,263.00	250,263.00	740
08/24/2012	CD	BLC COMMUNITY BANK .50%	249,000.00	248,690.24	0.550%	3,427.40	252,117.64	914
08/30/2012	CD	TRIUMPH BANK .50%	249,000.00	249,000.00	0.500%	3,107.41	252,107.41	911
05/09/2012	CD	GEORGIA BANK & TRUST .70%	248,000.00	247,628.00	0.750%	5,589.51	253,217.51	1,097
11/29/2012	CD	UNITED BANKERS BANK .50%	249,000.00	248,676.30	0.550%	3,436.20	252,112.50	911
01/23/2012	CD	LCA BANK CORPORATION .85%	248,000.00	248,000.00	0.850%	7,375.11	255,375.11	1,277
07/27/2012	CD	FLUSHING SAVINGS BANK.75%	248,000.00	247,628.00	0.800%	5,951.97	253,579.97	1,095
09/15/2011	CD	BANK OF THE WEST 1.4%	249,000.00	249,000.00	1.400%	13,943.96	262,943.96	1,460
10/17/2012	CD	COMENITY CAP BANK SALT LAKE CITY .50%	249,000.00	248,601.60	0.550%	4,233.74	252,835.34	1,094
11/07/2012	CD	EAGLE BANK .60%	249,000.00	249,000.00	0.600%	4,490.30	253,490.30	1,097
12/02/2011	CD	MIDLAND STATES BANK 1.25%	249,000.00	249,000.00	1.250%	12,450.00	261,450.00	1,461
01/25/2012	CD	NATIONAL REPUBLIC BANK 1.0%	249,000.00	249,000.00	1.000%	9,966.87	258,966.87	1,461

**INVESTMENT REPORT
AS OF MARCH 31, 2013**

INVESTMENT DATE	TYPE	SECURITY	PAR VALUE	INVESTED AMOUNT	RETURN RATE	INTEREST	INVESTMENT RETURN	TERM (Days)
02/10/2012	CD	CARDINAL BANK MCLEAN VA .90%	249,000.00	249,000.00	0.900%	8,970.06	257,970.06	1,461
02/06/2013	CD	ORIENTAL BANK & TRUST .90% CALL 8/6/13	249,000.00	249,000.00	0.900%	6,735.45	255,735.45	1,097
08/24/2012	CD	FIRST BUSINESS BANK .60%	248,000.00	247,578.40	0.600%	5,635.72	253,214.12	1,279
10/22/2012	CD	NATIONAL BANK OF COMMERCE .50%	249,000.00	248,551.80	0.550%	4,791.87	253,343.67	1,274
05/04/2012	CD	HERITAGE BANK OF COMMERCE .80%	249,000.00	248,004.00	0.900%	8,953.05	256,957.05	1,459
05/18/2012	CD	NORTH JERSEY COMMUNITY .85%	248,000.00	247,008.00	0.950%	9,429.77	256,437.77	1,461
05/22/2012	CD	STATE BANK & TRUST CO MACON, GA .80%	249,000.00	248,004.00	0.900%	8,974.88	256,978.88	1,462
05/31/2012	CD	CRESCENT BANK & TRUST .90%	249,000.00	248,502.00	0.950%	9,468.06	257,970.06	1,461
08/15/2012	CD	EVERBANK .90%	248,000.00	247,008.00	0.900%	9,926.11	256,934.11	1,461
02/28/2012	CD	MERCANTILE BANK OF MICHIGAN 1.15%	248,000.00	247,380.00	1.150%	14,895.62	262,275.62	1,827
12/24/2012	CD	DELTA NATL BANK & TRUST .90%	249,000.00	248,377.50	0.952%	11,624.88	260,002.38	1,792
12/24/2012	CD	PACIFIC CONTL BANK .90%	249,000.00	248,452.20	0.946%	11,556.33	260,008.53	1,793
12/11/2012	CD	BANCO POPULAR DE PR HATO 1.1%	248,000.00	248,000.00	1.100%	13,595.16	261,595.16	1,820
12/17/2012	CD	FIRST AMERICAN BANK 1.0%	249,000.00	248,253.00	1.000%	13,128.78	261,381.78	1,816
12/14/2012	CD	FIRST BANK OF PUERTO RICO 1.25%	249,000.00	249,000.00	1.250%	15,562.50	264,562.50	1,826
12/14/2012	CD	BANKERS BANK KANSAS 1.0%	249,000.00	248,502.00	1.000%	12,948.00	261,450.00	1,826
01/16/2013	CD	THE BANK OF HOLLAND 1.00%	249,000.00	248,751.00	1.000%	12,699.00	261,450.00	1,826
01/16/2013	CD	BANK OF NORTHERN MICHIGAN 1.00%	249,000.00	248,751.00	1.000%	12,699.00	261,450.00	1,826
01/18/2013	CD	STEARNS BANK .90%	249,000.00	248,253.00	1.000%	11,952.00	260,205.00	1,826
01/23/2013	CD	FIRST FARMERS BANK & TRUST 1.0%	249,000.00	248,626.50	1.000%	12,823.50	261,450.00	1,826
03/04/2013	CD	GATEWAY BANK OF SW FLORIDA .95%	209,000.00	208,373.00	1.070%	10,367.28	218,740.28	1,792
01/30/2013	CD	FARMERS & MERCHANTS BANK .90%	249,000.00	248,253.00	0.900%	11,952.00	260,205.00	1,826
03/28/2013	CD	WASHINGTON FEDERAL SAVINGS 1.0% CALL	249,000.00	248,253.00	1.000%	13,197.00	261,450.00	1,826
SUB-TOTAL			16,562,000.00	16,546,088.74	0.562%	504,854.48	17,050,943.22	1,180
	O	WELLS FARGO BANK	861,123.00	861,123.00	0.020%	0.47	861,123.47	1
	O	CORPORATE CASH MANAGEMENT ACCOUNT	2,653,138.31	2,653,138.31	0.020%	1.45	2,653,139.76	1
	O	LIBRARY ACCOUNT	559.87	559.87	0.000%	-	559.87	1
	O	UNION TRUST	33,998.02	33,998.02	0.000%	0.00	33,998.02	1
	O	L A I F WATER DISTRICT	31,299,000.00	31,299,000.00	0.290%	252.13	31,299,252.13	1
	O	L A I F PUBLIC IMPROVEMENT CORPORATION	31,052,000.00	31,052,000.00	0.290%	250.14	31,052,250.14	1
	O	L A I F PUBLIC FINANCING CORPORATION	30,477,000.00	30,477,000.00	0.290%	245.51	30,477,245.51	1
	O	L A I F CITY OF CARLSBAD	32,446,000.00	32,446,000.00	0.290%	261.37	32,446,261.37	1
SUB-TOTAL			128,822,819.20	128,822,819.20	0.283%	1,011.08	128,823,830.28	
GRAND TOTAL			612,710,819.20	620,480,159.57	1.092%	28,718,377.96	649,198,537.53	

CITY OF CARLSBAD
Fund Equity in Pooled Investments
AS OF MARCH 31, 2013

Cash Balance by Fund:

General		77,089,897
Special Revenue		41,845,460
Debt Service		0
Capital Projects:		
General Capital Construction	50,612,829	
Traffic Impact Fees	20,644,965	
Public Facilities Fees	46,179,614	
Park Development	4,020,467	
Transnet Taxes	7,822,568	
Drainage Fees	5,833,064	
Special Districts	86,385,008	
Infrastructure Replacement	76,518,779	
Redevelopment (see Trust Funds)	0	
Other Capital Construction	2,629,620	
	Total	300,646,914
Enterprise:		
Carlsbad Municipal Water District	89,279,204	
Sewer Fund	51,797,992	
Solid Waste	7,223,058	
Storm Water	3,040,654	
Golf Course	18,230	
	Total	151,359,138
Internal Service		35,788,311
Agency Funds		9,307,129
Trust Funds		389,759
Total General Ledger Balance **		616,426,608
Reconciling Adjustments (1)		747,881
Total Treasurer's Investment Portfolio at Amortized Cost		617,174,488

(1) The Reconciling Adjustments consist of differences between the General Ledger which is prepared on an accrual basis and the Treasurer's report which is prepared on the cash basis. Accrued Interest, amortized premium or discounts and outstanding checks and deposits in transit are not included in the Treasurer's summary. Differences between the time journal entries are posted and the time this report is produced may also be a component of the adjustment.

** Figures based on best estimate at the time report run on 04/10/13

CITY OF CARLSBAD INVESTMENT PORTFOLIO

As of March 31, 2013

CORPORATE NOTE AND COMMERCIAL PAPER RATINGS

Corporate Note Investments Meeting the Current Investment Policy:
(Ratings must be AA or better by both Moody's and S&P)

	<u>Moody's</u>	<u>S&P</u>
BERKSHIRE HATHAWAY	AA2	AA+
COCA COLA	AA3	AA-
GENERAL ELECTRIC COMPANY	AA3	AA+
GOOGLE INC	AA2	AA-
IBM CORP	AA3	AA-
JOHNSON & JOHNSON	AAA	AAA
MASS MUTUAL GLOBAL	AA2	AA+
MERCK	AA3	AA
MET LIFE GLOBAL	AA3	AA-
MICROSOFT	AAA	AAA
NEW YORK LIFE	AAA	AA+
PROCTER & GAMBLE	AA3	AA-
PROVIDENCE HEALTH	AA2	AA
ROYAL BANK OF CANADA	AA3	AA-
3M	AA2	AA-
SHELL INTERNATIONAL	AA1	AA
TOYOTA	AA3	AA-
WAL-MART	AA2	AA
WESTPAC BANKING CORP	AA2	AA-

Commercial Paper Investments Meeting the Current Investment Policy:
(Ratings must be A1/P1 or better by both Moody's and S&P)
(Ratings of other debt must be AA or better by Moody's and S&P)

NONE

Investments with Subsequent Changes in Credit Rating *

	<u>Moody's</u>	<u>S&P</u>	<u>Latest Maturity Date</u>	<u>Carrying Value</u>	<u>Market Value</u>
ALL STATE LIFE	A1	A+	04/30/2013	2,000,386	2,008,040
BARCLAYS BANK	A2	A+	12/15/2015	2,000,000	2,044,460
GENERAL ELECTRIC	A1	AA+	05/09/2016	19,391,336	19,774,406
HSBC BANK USA	A1	AA-	06/05/2017	10,000,000	9,755,000

* The City's Investment Policy allows the City Treasurer to determine the course of action that would correct exceptions to the policy. All of these investments are paying interest at the required times. The principal of all investments are considered secure. It is the intent of the City Treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

**CITY OF CARLSBAD INVESTMENT PORTFOLIO
AS OF MARCH 31, 2013
WEIGHTINGS FOR CORPORATE AND FEDERAL AGENCY ISSUERS**

PERCENTAGE WEIGHTINGS BY CORPORATE NOTE ISSUER

	<u>Investment Cost</u>	<u>Percent of Portfolio*</u>
ALL STATE LIFE	2,023,559.81	0.33%
BARCLAYS BANK	2,000,000.00	0.32%
BERKSHIRE HATHAWAY	19,421,409.77	3.13%
COCA COLA CO	4,133,106.35	0.67%
GENERAL ELECTRIC CAP	19,390,658.05	3.13%
GENERAL ELECTRIC COMPANY	8,032,665.00	1.29%
GOOGLE	1,050,940.00	0.17%
HSBC BANK USA	10,000,000.00	1.61%
IBM CORP	8,581,305.00	1.38%
JOHNSON & JOHNSON	2,104,120.00	0.34%
MASS MUTUAL	3,607,914.95	0.58%
MERCK & CO	5,498,750.00	0.89%
MET LIFE GLOBAL FUND	22,244,146.45	3.58%
MICROSOFT	2,072,820.00	0.33%
NEW YORK LIFE	11,847,794.90	1.91%
PROTER & GAMBLE	13,392,464.17	2.16%
PROVIDENCE HEALTH	2,237,929.50	0.36%
ROYAL BANK OF CANADA	2,038,220.00	0.33%
3M	2,121,417.76	0.34%
SHELL INTERNATIONAL FIN	5,384,350.00	0.87%
TOYOTA	9,023,645.00	1.45%
WAL-MART	17,680,539.46	2.85%
WESTPAC BANKING CORP	5,000,000.00	0.81%

PERCENTAGE WEIGHTINGS BY FEDERAL AGENCY ISSUER

	<u>Investment Cost</u>	<u>Percent of Portfolio**</u>
FAMCA	15,016,370.00	2.42%
FICO	2,909,735.32	0.47%
FEDERAL FARM CREDIT BANK	52,846,233.03	8.52%
FEDERAL HOME LOAN BANK	76,294,402.86	12.30%
FEDERAL HOME LOAN MORTGAGE CORP	35,824,988.36	5.77%
FEDERAL NATIONAL MORTGAGE ASSOC	107,170,241.03	17.27%
TVA	4,099,415.64	0.66%
U.S.TREASURY	2,062,109.25	0.33%
Total Portfolio		\$620,480,159.57

* No more than 5% may be invested with a single corporate issuer.

**There are no percentage limits on federal agency issuers.

**City of Carlsbad
Bond Proceeds Investment Report
March 31, 2013**

Fund Type	Investments	Stated Int. Rate	Maturity Date	Par Value	Cost	Source
Assessment District 03-01 (College/Cannon)						
Project Fund	Invesco Prime-Cash Money Market	N/A	N/A	\$ 927,527	\$ 927,527	Fiscal Agent: BNY Mellon Invesco
Re-Assessment District 97-01 (Alga Road & College Blvd)						
Imprmnt Fund - Alga	Invesco Prime-Cash Money Market	N/A	N/A	\$ 278,259	\$ 278,259	Fiscal Agent: US Bank Invesco
Assessment District 95-01 (Carlsbad Ranch)						
Reserve Fund	Repub Natl Bank Repo Agreement: HSBC (GIC)	5.83%	N/A	\$ 887,653	\$ 887,653	Fiscal Agent: BNY Mellon HSBC Bank of New York
Assessment District 96-01 (Rancho Carrillo)						
Reserve Fund	Repub Natl Bank Repo Agreement: HSBC (GIC)	6.03%	09/02/28	\$ 1,292,770	\$ 1,292,770	Fiscal Agent: BNY Mellon HSBC Bank of New York
ReAssessment District 2012-1 (College/Cannon & Poinsettia Lane)						
Reserve Fund	BNY Goldman Sachs FS Money Market	various	N/A	\$ 2,161,455	\$ 2,161,455	Fiscal Agent: BNY Mellon BNY Mellon
Other	BNY Goldman Sachs FS Money Market	various	N/A	\$ 23,287	\$ 23,287	BNY Mellon
EFJPA						
Reserve Fund	AIG Investment Agreement (GIC)	5.36%	08/01/14	\$ 953,706	\$ 953,706	Fiscal Agent: BNY Mellon GIC
Communities Facilities District #3 Improvement Area 1						
Project Fund	Invesco Prime-Cash Money Market	N/A	N/A	\$ 1,834,626	\$ 1,834,626	Fiscal Agent: BNY Mellon Invesco
Reserve Fund	BNY Dreyfus Money Market	various	09/01/36	\$ 777,965	\$ 777,965	BNY Mellon
Communities Facilities District #3 Improvement Area 2						
Reserve Fund	BNY Dreyfus Money Market	various	09/01/38	\$ 1,068,180	\$ 1,068,180	Fiscal Agent: BNY Mellon BNY Mellon
Other	BNY Dreyfus Money Market	various	N/A	\$ 86,282	\$ 86,282	BNY Mellon
CPFA Golf Course Bonds						
Reserve Fund	BNY Mellon (GIC)	various	N/A	\$ 1,270,064	\$ 1,270,064	Fiscal Agent: BNY Mellon BNY Mellon
					\$ 11,561,774	\$ 11,561,774

City of Carlsbad
Summary of Outstanding Housing Loans
As of March 31, 2013
Updated on: 04/10/2013

Borrower	Development	Purpose	First date issued	# of loans issued	Loans issued by City to developers/homeowners	Loans issued by Developer to homeowners	# of loans outstanding	City loan repaid to City	Developer loan repaid to City	Loan amount due to City (recorded as AR)	Developer loan amount due to City (not on City's books)	Type of Loan
Individual homebuyers	City-wide (CHAP Sale		06/28/99	133	\$1,680,000	\$ -	29	(\$1,525,645)	\$ -	\$154,354.74	\$ -	154,355 Payment deferred 15 years. No interest is due unless home is sold before 16th year
Individual homebuyers	Calavera Hills	Sale	10/15/99	5	75,000	150,000	1	(60,000)	(120,000)	15,000	30,000	45,000 Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Cherry Tree Wall Sale		06/28/99	42	453,600	452,600	14	(313,200)	(283,250)	140,400	169,350	309,750 Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Serrano	Sale	05/25/01	90	1,350,000	4,050,000	33	(930,133)	(2,610,000)	419,867	1,440,000	1,859,867 Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Rancho Carlsbad	Sale	05/20/99	22	752,533	-	10	(404,370)	-	348,163	-	348,163 Principal is due when home is sold
Individual homebuyers	Solamar	Sale	09/26/88	9	147,726	-	1	(135,065)	-	12,661	-	12,661 Principal is due when home is sold
Catholic Charities	Homeless shelter	Shelter	09/19/97	1	200,000	-	1	-	-	200,000	-	200,000 Principal is due when property is sold
CB Laurel Tree Apartments	Laurel Tree	Rentals	12/24/98	2	1,134,000	-	2	(1,003,320)	-	130,680	-	130,680 Principal and 3% interest each year for 30 years when surplus cash is available
CB Housing Partnership	Rancho Carrillo	Rentals	03/05/01	1	1,157,584	-	1	(13,000)	-	1,144,585	-	1,144,585 Principal and 3% interest each year for 55 years when surplus cash is available
Pacific Vista Las Flores	Vista Las Flores	Rentals	02/27/01	1	363,948	-	1	-	-	363,948	-	363,948 Principal and 3% interest each year for 55 years when surplus cash is available
Poinsettia Housing Assoc	Poinsettia Station	Rentals	10/21/99	1	920,000	-	1	(83,177)	-	836,823	-	836,823 Principal and 3% interest each year for 55 years when surplus cash is available
Bridge Housing Corp	Villa Loma	Rentals	11/04/94	2	2,212,000	-	0	(2,212,000)	-	-	-	- Principal and 3% interest each year for 15 years when surplus cash is available
Dove Family Housing	La Costa Palomar	Rentals	07/15/03	1	2,070,000	-	1	(1,486,204)	-	583,796	-	583,796 Principal and 3% interest each year for 55 years when surplus cash is available
CIC Calavera LP	Mariposa Apts	Rentals	09/15/04	1	1,060,000	-	1	-	-	1,060,000	-	1,060,000 Principal and 3% interest each year for 55 years when surplus cash is available
Individual homebuyers	Mulberry at Bressi Ranch	Sale	04/29/05	100	1,840,000	19,660,200	100	-	-	1,840,000	19,660,200	21,500,200 Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Village by the Sea	Sale	10/28/05	11	220,000	4,087,200	7	-	-	220,000	4,087,200	4,307,200 Payment deferred 30 years. No interest is due unless home is sold before 31th year
El Camino Family Housing	Cassia Heights	Rentals	03/07/06	1	1,454,276	-	1	-	-	1,454,276	-	1,454,276 Principal and 3% interest each year for 55 years when surplus cash is available
Individual homebuyers	Laguna Point	Sale	07/06/06	3	210,000	-	3	-	-	210,000	-	210,000 Payment deferred 45 years. No interest is due unless home is sold before 46th year
Individual homebuyers	The Bluffs	Sale	06/14/07	8	200,000	-	8	-	-	200,000	-	200,000 Payment deferred 30 years. No interest is due unless home is sold before 31th year
Individual homebuyers	Roosevelt Gardens	Sale	08/30/07	11	1,583,423	-	11	-	-	1,583,423	-	1,583,423 Refer to Agenda Bill 18,569 / Resolution 2006-131 & AB 19,183 / R2007-255
CIC La Costa	Hunter's Point	Rentals	08/19/08	1	1,932,000	-	1	-	-	1,932,000	-	1,932,000 Refer to AB18,251 / Resolution 2005-264
Down Payment & Closing Cost Assistance	Various	Assistance	06/25/09	18	213,950	-	18	-	-	213,950	-	213,950 Refer to Agenda Bill 19,415 / Resolution 2008-121
CIC Glen Ridge, LP	Glen Ridge	Rentals	10/05/09	1	1,014,000	-	1	-	-	1,014,000	-	1,014,000 Refer to Agenda Bill 397 / Resolution 435
Tavarua Senior Apartments, LP	Tavarua	Rentals	12/14/11	1	3,750,000	-	1	-	-	3,750,000	-	3,750,000 Refer to Agenda Bill 418 / Resolution 475
North County Solutions for Change	Property Acquisition	Rentals	06/28/12	1	780,000	-	1	-	-	780,000	-	780,000 Refer to Agenda Bill 20,936/Resolution 2012-136
Catholic Charities	Homeless shelter	Shelter	03/01/10	3	493,810	-	3	-	-	493,810	-	493,810 Refer to AB19,768/R2009-068; AB20,530/R2011-081; AB20,764/R2011-288
Individual homeowners	N/A	Home Property	05/20/10	TBD	47,510	-	TBD	-	-	47,510	-	47,510 Refer to AB19,415 / Resolution 2008-121
Hospice of North Coast	N/A	Acquisition	02/27/13	1	1,065,000	-	1	-	-	1,065,000	-	1,065,000 Refer to AB21,116/Resolution 2013-027
C&C Dev and Irvine Housing Opportunities	Carol-Harding Duplex	Property Acquisition	03/14/13	1	7,408,000	-	1	-	-	7,408,000	-	7,408,000 Refer to AB21,028/Resolution 2012-235
Allowances					(1,144,616)					(1,144,616)		
				472	\$ 34,643,745	\$ 28,400,000	253	\$ (8,166,114)	\$ (3,013,250)	\$ 26,477,631	\$ 25,386,750	\$ 53,008,997

During the 3rd quarter of FY2012-13, \$15,659 in CHAP loan payments were received; a \$13,000 principal payment related to the Rancho Carrillo development was received; issued a forgivable \$1,065,000 CDBG loan to Hospice of the North Coast; issued a forgivable \$5,000 Minor Home Repair loan; issued a \$7,408,000 loan to C&C Development-Irvine Housing Opportunities for the acquisition of the Carl-Harding duplex.